

**Infill Infrastructure Grant Program**  
IIG Program Guidelines – Summary of Public Comments

The California Department of Housing and Community Development (HCD) posted Draft Guidelines for the Infill Infrastructure Grant Program (IIG) on September 16, 2020.

Public comments were received between September 16, 2020, and October 7, 2020. Webinars were held on September 28, 2020, and September 30, 2020. This document represents written comments HCD received during the public comment period and webinars, along with HCD's responses to those comments.

Item/ Guidelines Section	Public Comment	HCD Comments/ Recommendations
<b>301 Program Overview</b>		
301 Program Overview	<p>In the past, HCD has not applied the full applicability of the UMRs to the IIG Program. In particular, IIG has not triggered the developer fee limitation contained within the Uniform Multifamily Regulations (UMRs). We believe this exception continues to be warranted for the IIG Program, which often funds large complicated projects that may not include other HCD funding that triggers the UMRs. The HCD developer fee limits do not include the California Tax Credit Allocation Committee (TCAC) developer fee restrictions, which allow an additional \$10,000 per unit for every unit over 100. This means very large projects have a very significantly lower developer fee allowed by HCD than by TCAC than smaller projects. We encourage HCD to retain the existing policy of not applying this section of the UMRs to the IIG Program.</p> <p><b>Amie Fishman, Non-Profit Housing Association; Jeffrey White and Lydia Ely, Office of Community Investment and Infrastructure; Andy Madeira, Eden Housing; Elissa Dennis et al., Community Economics; Alice Talcott, MidPen Housing; Jessica Sheldon, Resources for Community Development</b></p>	Upon review, the Department will reference the 2017 UMRs in the IIG Guidelines unless there is a conflict between the UMRs and the IIG Guidelines. In any case, developer fees are not an Eligible Cost delineated in the Guidelines, Section 304, Eligible Costs.
301 Program Overview	<p>Will Developers be subject to the 2017 UMR developer fee limits if the Qualifying Infill Project (QIP) does not utilize tax credits or deferred fee?</p> <p><b>Unknown, webinar</b></p>	Developer fees are not an Eligible Cost.

302 Definitions			
302(a) Definition: Affordable Unit	<p>It was said that “Affordable” means below 60 percent, but section 302(a) also mentions 120 percent.</p> <p><b>Unknown, webinar</b></p>	<p>The 120 percent referred to in section 302(a) is related to homeownership units only.</p>	
302(c) Definition: Bus Hub	<p>Please consider relaxing the minimum headway time for bus routes due to decreases in service due to COVID-19 impacts. Alternatively, consider allowing applications to use the pre-COVID timetable to demonstrate compliance.</p> <p><b>Andy Madeira, Eden Housing</b></p>	<p>The Guidelines have been updated to allow published headway numbers from January 1, 2020, and forward in response to temporary COVID related ridership reductions.</p>	
302(j) Definition: Eligible Applicant	<p>While we recognize that the IIG statute continues to refer to defunct “redevelopment agencies”, for purposes of relevance and clarity we recommend referring instead to “<i>redevelopment agencies and/or housing successor agencies</i>” that have taken over the remaining housing activities of redevelopment agencies.</p> <p><b>Amie Fishman, Non-Profit Housing Association; Mark Stivers and Nicole Norori, California Housing Partnership</b></p>	<p>The Guidelines have been updated to reflect the suggested change.</p>	
302(j) Definition: Eligible Applicant	<p>Are Infrastructure Financing Districts (IFDs) or Joint Powers Agreements (JPAs) eligible applicants?</p> <p><b>Unknown, webinar</b></p>	<p>We believe that the question is referring to Joint Powers Authorities (JPAs) and JPAs (where one of the parties is the city or county where the QIA or QIP is located) are an Eligible Applicant. An Infrastructure Financing District (IFD) is not an eligible applicant.</p>	
302(j) Definition: Eligible Applicant	<p>The proposed Guidelines now allow nonprofit and for-profit Developers as Eligible Applicants, no longer requiring that these entities apply jointly with a local jurisdiction. We strongly support this proposed change. There are many QIPs that can be developed without the direct participation of the local jurisdiction. The previous requirement to submit a joint application may have eliminated projects that would otherwise score well and meet HCD’s goals, but where the local jurisdiction did not have the capacity or interest in submitting a joint application. This change will expand the pool of high-quality projects that are eligible to apply.</p> <p><b>Jessica Sheldon, Resources for Community Development; Amie Fishman, Non-Profit Housing Association Vanessa Luna, Brilliant Corners</b></p>	<p>Please see the explanation above. The enabling legislation for this funding round does not require a Locality as a co-applicant, so the Department was able to make that update.</p>	

302(j) Definition: Eligible Applicant	Do the Developers for affordable housing QIPs need to be co-Applicants if the infrastructure improvement is on Locality's land?  <b>Unknown, webinar</b>	The QIP applicant must be a Developer. A Locality cannot apply for QIP. See Eligible Applicants for a full description.
302(j) Definition: Eligible Applicant	Can a transit authority be the joint applicant if the QIP is being developed on their land and if so, is it part of the Capital Improvement Project (CIP)?  <b>Unknown, webinar</b>	Transit authority is not an Eligible Applicant and therefore cannot be the joint applicant. For more information see the definition of an Eligible Applicant.
302(j) Definition: Eligible Applicant	Can Developers apply without a Locality as co-Applicant?  <b>Unknown, webinar</b>	Yes, a Developer may be the sole Applicant in a QIP application. In fact, a Locality may not be a co-applicant in a QIP application.
302(l) Definition: Enforceable Funding Commitment	302(l) clarifies that construction bond financing would be evidence of tax credits and tax-exempt bonds. Is a construction loan commitment letter adequate evidence? This is confusing because only permanent financing commitments count for scoring if QIPs, per section 309(3)(A).  <b>Unknown, webinar</b>	Language in the Guidelines has been updated. The Department only accepts the actual award letter or a tax reservation letter for consideration as an Enforceable Funding Commitment (EFC).
302(l) Definition: Enforceable Funding Commitment	Can funding commitments from the city or former redevelopment agencies count as an Enforceable Funding Commitment (EFC)?  <b>Unknown, webinar</b>	Yes, they count for EFCs if they are formally committed and meet the requirements set forth for Enforceable Funding Commitments in the Guidelines.
302(l) Definition: Enforceable Funding Commitment	If we have a permanent commitment letter from a conventional lender, does that count as committed if the bonds are not yet allocated?  <b>Unknown, webinar</b>	If you are referring to 4 and 9 percent tax credits to count as an EFC, the Department requires a reservation letter from TCAC showing the credits have been allocated towards you as the applicant.
302(l) Definition: Enforceable Funding Commitment	Since 4 percent bonds are now competitive, would you consider extending the deadline to more than two years?  <b>Unknown, webinar</b>	These milestones are consistent with other Department programs. Extensions may be requested as set forth in Section 306.

302(l) Definition: Enforceable Funding Commitment	<p>The EFC definition and leverage point category alternately refer to construction financing and permanent financing in a conflicting manner. While assessing construction financing is reasonable for CIPs, assessing permanent financing is more relevant and appropriate for QIPs in both the QIP and Qualifying Infill Area (QIA) scoring sections because access to housing construction financing is relatively easy once permanent financing commitments are in place. In fact, the construction financing commitment a lender provides at the time of IIG application, prior to the project receiving a tax-exempt bond allocation and/or tax credits, is wholly conditioned on the receipt of bonds and tax credits and therefore relatively worthless as a true commitment. Moreover, it is in HCD's interest to encourage other public lenders to keep their funds in the permanent financing stack rather than be paid off at conversion, which a focus on construction financing would allow. With respect to housing leverage in both the QIA and QIP scoring sections, HCD should therefore focus exclusively on permanent financing commitments by deleting "<i>as evidenced by construction bond financing</i>" from paragraph (1).</p> <p><b>Mark Stivers and Nicole Norori, California Housing Partnership; Alice Talcott, MidPen Housing; Amie Fishman, Non-Profit Housing Association; Elissa Dennis et al., Community Economics</b></p>	<p>Agreed. The Guidelines have been updated to identify requirements for permanent financing only. Language in the Guidelines has been updated and the Department only accepts a tax reservation letter for consideration as an Enforceable Funding Commitment (EFC).</p>
302(l) Definition: Enforceable Funding Commitment	<p>The definition of "Enforceable Funding Commitment" starts by saying that "<i>Enforceable Funding Commitment</i> means permanent financing commitments" but then the subsection that immediately follows [302(l)(1)] mentions "<i>construction bond financing</i>." We recommend that this be clarified and that the Guidelines look only at permanent financing.</p> <p><b>Mee Heh Risdon, A Community of Friends; Francisco Martinez, Southern California Association of Nonprofit Housing</b></p>	<p>In this case the use of "permanent" means commitments for permanent financing. The Guidelines language has been clarified.</p>
302(l) Definition: Enforceable Funding Commitment	<p>Clarify that construction financing commitments are indeed an Enforceable Financing Commitment, in particular for QIAs. There are internal inconsistencies in the definition itself where subpart (1) considers committed construction bond financing to be an EFC. We encourage HCD to consider IIG funding as an early source into affordable housing developments which can be subsequently leveraged, in particular with respect to QIAs. This type of approach mirrors the fact that the infrastructure improvements contemplated by the program typically occur early in the life of a project.</p> <p><b>Brian D'Andrea, Century Housing Corporation</b></p>	<p>The Department is taking the position that permanent financing is a critical milestone that, once secured, facilitates the attainment of construction financing.</p>

<p>302(l) Definition: Enforceable Funding Commitment</p>	<p>We would seek clarification whether you intend for this to be a soft commitment letter from a commercial lender prior to bond allocation, for example. This would be doable. But if the intent is, instead, the bond allocation itself, this would be quite problematic and would create a schedule problem for projects across the state. California Debt Limit Allocation Committee (CDLAC) requires having all other funding in place before applying for tax exempt financing. CDLAC also requires closing on construction 180 days from their allocation. This would not allow enough time to apply for an HCD loan after a CDLAC award.</p>	<p>To align with related Department programs in that low-income housing tax credit equity and tax-exempt bonds in connection with 4 percent and 9 percent low-income housing tax credits evidenced by tax credit reservation letter from TCAC.</p>
<p>302(l) Definition: Enforceable Funding Commitment</p>	<p>The proposed Guidelines and scoring no longer consider construction financing in the definition or scoring of an EFC. We support this change in order streamline applications. The current proposed definition, however, has a contradiction in stating that EFCs mean permanent financing commitments, but then stating that committed construction bond financing is needed. We suggest that this item be modified to clarify that (1) tax credit equity in connection with 4 percent low income housing credits should be considered committed, without the need for a reservation or commitment letter, and (2) no evidence of tax exempt bond financing is needed. This is consistent with other HCD funding programs, which consider the funding associated with 4 percent tax credits and tax exempt bonds as committed.</p> <p><b>Jessica Sheldon, Resources for Community Development</b></p>	<p>Please see the explanation above.</p>
<p>302(l)(1) Definition: Enforceable Funding Commitment</p>	<p>Advantaging 4 percent low-income housing tax credit (LIHTC) projects by counting only 4 percent tax credit equity as committed financing made sense when tax-exempt bonds were plentiful enough to be allocated automatically. Now that bonds are highly competitive, however, maintaining the advantage is counterproductive. In this environment, HCD's programs should treat 4 percent and 9 percent applicants equally, allowing Developers to choose the path that is most likely to complete project financing. For this reason, the Department should delete "<i>in connection with four percent low-income housing credits</i>" from paragraph (1).</p> <p><b>Mark Stivers and Nicole Norori, California Housing Partnership; Alice Talcott, MidPen Housing; Amie Fishman, Non-Profit Housing Association; Francisco Martinez, Southern California Association of Nonprofit Housing</b></p>	<p>The Guidelines have been updated to treat 4 percent and 9 percent tax credit applications equally.</p>

302(l)(1) Definition: Enforceable Funding Commitment	<p>Delete subpart (1) (<i>Low-income housing tax credit equity and tax-exempt bonds in connection with four percent low-income housing credits, as evidenced by committed construction bond financing, will be considered an Enforceable Funding Commitment in this calculation</i>). Tax credits and tax-exempt bonds typically require all other funding sources to be committed to receive a tax credit reservation and allocation of tax-exempt bonds. Applicants cannot provide evidence of having received these awards at the time the application is made to HCD for IIG funds.</p> <p><b>Cynthia Parker, Bridge Housing</b></p>	<p>Please see the explanation above.</p>
302(l)(2) Definition: Enforceable Funding Commitment	<p>The Department's NOFAs for numerous funding programs often overlap in time. As the Department has done in other programs such as MHP, it should count as an EFC in paragraph (2) <i>"any funding to be provided by another Department program awarded prior to final rating and ranking for the IIG application."</i> In addition to benefitting Developers, this change will benefit the Department by shortening predevelopment periods and thereby reducing costs and subsidy needs, advantaging projects HCD intends to fund through other programs, and decreasing the likelihood of returned awards in other programs when a project cannot achieve full financing. Making this change would also ensure consistency between this definition and the existing language in Section 310(a)(4)(A) and (B).</p> <p><b>Mark Stivers and Nicole Norori, California Housing Partnership; Alice Talcott, MidPen Housing; Amie Fishman, Non-Profit Housing Association; Elissa Dennis et al., Community Economics</b></p>	<p>The Guidelines have been updated allowing proof of award to be received by the Department prior to final rating and ranking of the IIG application. The Department will continue efforts to better align program awards.</p>
302(l)(2) Definition: Enforceable Funding Commitment	<p>In paragraph (2), we recommend amending the language to read, <i>"Funds awarded by the Department and/or other local government agencies at the time of application submittal."</i></p> <p><b>Jeffrey White and Lydia Ely, Office of Community Investment and Infrastructure</b></p>	<p>Please see the explanation above.</p>
302(l)(2) Definition: Enforceable Funding Commitment	<p>We would encourage HCD to also consider as committed any HCD funds that are awarded in the same month as the IIG funds. Otherwise, projects sometimes need to apply to the Affordable Housing and Sustainable Communities (AHSC), and then wait a full year to apply to IIG in order to be competitive in the Leveraged Funding Commitments category.</p> <p><b>Jessica Sheldon, Resources for Community Development</b></p>	<p>The Guidelines have been updated allowing proof of award to be received by the Department prior to final rating and ranking of the IIG application.</p>

<p>302(l)(2) Definition: Enforceable Funding Commitment</p>	<p>We urge change to the phrase that considers funds that have been “awarded by the Department at the time of application submittal.” Nonprofit Developers often apply to multiple HCD programs simultaneously, so we request that the IIG Guidelines also consider “funding to be provided by another HCD funding source.”</p> <p><b>Francisco Martinez, Southern California Association of Nonprofit Housing; Mee Heh Risdon, A Community of Friends</b></p>	<p>Please see the explanation above.</p>
<p>302(l)(3) Definition: Enforceable Funding Commitment</p>	<p>In paragraph (3), we recommend that 1) donations and waivers be counted without discretion by replacing “may” with “shall”; 2) to be consistent with TCAC and reflect the correct policy, the following phrase should read, “<i>where those fee waivers are not otherwise required by federal or state law</i>”.</p> <p><b>Mark Stivers and Nicole Norori, California Housing Partnership; Alice Talcott, MidPen Housing; Amie Fishman, Non-Profit Housing Association</b></p>	<p>Agreed. “may” has been replaced with “shall” in the Guidelines.</p>
<p>302(l)(3) Definition: Enforceable Funding Commitment</p>	<p>In paragraph (3), we recommend that 3) counting land leases in addition to donations in fee and allowing consideration up to \$100 as many sales and leases are for \$1 or \$1 per year, respectively.</p> <p><b>Mark Stivers and Nicole Norori, California Housing Partnership</b></p>	<p>Sec. 302(l)(3) has been updated to include a below market land lease as an EFC, as long as the land lease meets the terms of section 8316 of the 2017 UMRs.</p>
<p>302(l)(3) Definition: Enforceable Funding Commitment</p>	<p>This should also include the value of land donated in the form of a below market lease, not only those donated in fee. In addition, when public agencies donate land, there is generally a small, de minimus contribution such as \$100. We suggest the language should be: “<i>A land donation in fee or as a long-term ground lease at no more than a de minimus price</i>”.</p> <p><b>Alice Talcott, MidPen Housing; Amie Fishman, Non-Profit Housing Association</b></p>	<p>Please see the explanation above.</p>
<p>302(l)(3) Definition: Enforceable Funding Commitment</p>	<p>We recommend for paragraph (3) that the value of a below market ground lease be recognized similarly to a land donation as an EFC. Many local agencies prefer to ground lease land at minimal to no cost, rather than transfer it outright and this should be recognized as a financial benefit to the project. A below market ground lease from a public entity should also be considered a commitment of Local Support for scoring in this category.</p> <p><b>Elissa Dennis et al., Community Economics</b></p>	<p>Please see the explanation above.</p>

302(l)(5) Definition: Enforceable Funding Commitment	The Department should limit paragraph (5) to CIPs. The leverage of a CIP is assessed separately from the leverage of the housing project. As a result, the Department should only count commitments of funding for the transportation project towards the leverage points for the CIP.  <b>Mark Stivers and Nicole Norori, California Housing Partnership</b>	Paragraph 5 reflects the importance the Department is placing on committed funding reflecting readiness for all aspects of the proposed project.
302(l)(5) Definition: Enforceable Funding Commitment	We recommend that paragraph (5) be limited to QIA applications. The costs of a nearby transportation project would not be included in a QIP application, and therefore funding for the transportation project should not be included in the leverage calculation for the QIP.  <b>Elissa Dennis et al., Community Economics; Amie Fishman, Non-Profit Housing Association</b>	Please see the explanation above.
302(l) Definition: Enforceable Funding Commitment	We request this language be added back in for EFCs: <i>For self-help homeownership developments utilizing United States Department of Agriculture (USDA) 502 Loans, those funds shall be considered committed if the Eligible Applicant is an active 523 grantee that has Site Control of the Capital Improvement Project and a letter of support from USDA.</i>  <b>Betsy McGovern Garcia, Self-Help Enterprises</b>	The definition of EFC is consistent across Department climate programs. This consistency is important for applicants applying for multiple Department programs. The previous commitment by USDA was not strong enough. For permanent financing, commitment letters are required as an EFC.
302(l) Definition: Enforceable Funding Commitment	We suggest that the Guidelines clarify that deferred developer fee is an EFC.  <b>Jessica Sheldon, Resources for Community Development</b>	The Department feels the language in section 302(l)(4) is clear that deferred developer fee is an EFC. Applicants may submit additional questions to the <a href="mailto:Infill@hcd.ca.gov">Infill@hcd.ca.gov</a> inbox.
302(p) Definition: Major Transit Stop	We recommend basing the definition of a Major Transit Stop on pre-COVID-19 transit service levels. AHSC Program would allow transit schedules that were in place anytime between January 2020 and the time of application to be used for eligibility.  <b>Therese W. McMillan, Metropolitan Transportation Commission; Andy Madeira, Eden Housing</b>	Considering that many transit agencies have reduced or modified service during COVID-19, the definition of a Major Transit Stop was expanded. The definition explains that the required level of service must have been publicly posted by the provider at some point between January 2020 and the time of application. That timeframe allows

		consideration of pandemic related ridership levels and schedules.
302(p) Definition: Major Transit Stop	<p>The Guidelines describe Major Transit Stop as, among other things, “<i>the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods.</i>” Given that many transit agencies have reduced or modified service during the pandemic, we urge HCD to consider pre-COVID frequency in determining whether a route meets this definition. Applicants should be allowed to submit schedules from early 2020 (pre-pandemic) in order to certify that routes have service intervals of 15 minutes or less. Many routes that previously had more frequent service are now running on reduced intervals, but these routes and intersections are still the major transit stops in these areas.</p> <p><b>Jessica Sheldon, Resources for Community Development; Amie Fishman, Non-Profit Housing Association</b></p>	Please see the explanation above.
302(p) Definition: Major Transit Stop	<p>Could you please confirm that the interval of 15 minutes or less in the above Major Transit Stop definition refers to the combination of two or more major bus routes having a minimum headway of 15 minutes or less?</p> <p><b>Unknown, webinar</b></p>	<p>That is correct. A Major Transit Stop can mean the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods. This level of service must have been publicly posted by the provider at some point between January 2020 and the time of application.</p>

<p>302(t) Definition: Net Density</p>	<p>Further refine definition of Net Density. Rural and smaller communities are not looking for exceptions to IIG's emphasis on dense, sustainable development, but current definitions of density fail to account for the true density of rural and smaller community developments. Rural and smaller community developments—even dense, infill sites—require different infrastructure investments than in urban areas and the definition of Net Density should better account for these differences, such as the need for drainage sites, easements, ravines, etc. To address this, we suggest that in calculating the density of a project, only land to be developed for residential or mixed use be included. Permanent streets required drainage facilities, sidewalks, parks, public rights-of-way, easements, encroachments, and dedicated open space should be excluded.</p> <p><b>Betsy McGovern Garcia, Self-Help Enterprises; Brian Augusta et al, California Rural Legal Assistance Foundation et al.</b></p>	<p>The IIG Guidelines are required to set the densities defined by Government Code § 65583.2, which defines densities to accommodate housing for lower income households in the following way:</p> <ol style="list-style-type: none"> <li>1. <i>For an incorporated city within a nonmetropolitan county and for a nonmetropolitan county that has a micropolitan area: sites allowing at least 15 units per acre.</i></li> <li>2. <i>For an unincorporated area in a nonmetropolitan county not included in clause (1): sites allowing at least 10 units per acre.</i></li> <li>3. <i>For a suburban jurisdiction: sites allowing at least 20 units per acre.</i></li> <li>4. <i>For a jurisdiction in a metropolitan county: sites allowing at least 30 units per acre.</i></li> </ol>
<p>302(t) Definition: Net Density</p>	<p>Current definitions of Net Density incentivize building smaller units that house fewer people. Most rural and smaller community developments consist of larger units, with more rooms, housing families and more people overall. We suggest basing the definition of Net Density on the number of bedrooms or people housed per acre to more accurately capture this greater density.</p> <p><b>Brian Augusta et al, California Rural Legal Assistance Foundation et al.</b></p>	<p>The use of bedroom count to measure density is part of our continuing conversations, but we were not able to make that change to these Guidelines. However, the IIG grant calculations do consider bedroom count.</p>
<p>302(v) Definition: Nondiscretion. Local Approval Process</p>	<p>It is not clear what value the added text within the parentheses has so we recommend deleting the parenthetical language.</p> <p><b>Andy Madeira, Eden Housing</b></p>	<p>The definition of a Nondiscretionary Local Approval Process was expanded to ensure readiness. The definition clarifies that objective design review standards include design review conducted by public officials, as long as they are using design guidelines established for the Project Area and their review is for consistency and application of the established Guidelines.</p>

<p>302(v) Definition: Nondiscretion. Local Approval Process</p>	<p>The Department's proposed addition seems to imply that jurisdictions could apply discretionary criteria from design guidelines that apply more broadly than the Project Area. Discretionary design guidelines should have no role in this definition. The Department should therefore delete the parenthetical language.</p> <p><b>Mark Stivers and Nicole Norori, California Housing Partnership; Amie Fishman, Non-Profit Housing Association</b></p>	<p>The definition of Nondiscretionary Local Approval Process has been modified for clarity.</p>
<p>302(aa) Definition: Qualifying Infill Project</p>	<p>We request you update the QIP definition as follows: "<i>Qualifying Infill Project</i>" means <i>a residential or mixed-use residential development project designated in the Program application that is located within an Urbanized Area on a site that has been previously developed, or on a vacant site where at least three or 4 sides or 75 percent of the parameter of the site adjoins parcels that are developed with Urban Uses. A property is adjoining the side of a project site if the property is separated from the project site only by an improved public right-of-way.</i> The 75 percent definition is limited because it assumes every parcel is a perfect square. Having one side that is slightly longer than the others does not render the parcel any less infill. We strongly encourage the IIG Program to adopt the infill definition used in AHSC and add "<i>at least three of the four sides or 75 percent</i>". Consistency in definitions between various HCD programs prevents misunderstanding by affordable housing Developers and streamlines reviews for HCD staff.</p> <p><b>Betsy McGovern Garcia, Self-Help Enterprises</b></p>	<p>Modifying the definition of QIA or QIP would require legislative action. The Program's authorizing legislation, Health and Safety Code (§ 53545.12(e)) defines a Qualifying Infill Project.</p>
<p>302(hh) Definition: Transit Priority Area</p>	<p>The Transit Priority Area definition is ambiguous and does not account for varying local conditions, such as highly walkable areas with less frequent transit service. This has caused confusion among applicants and disagreements between Metropolitan Transportation Commission and applicants on our Transit Priority Area verifications. As an alternative we recommend awarding points in tiers based on the frequency of transit serving the project or project area. The definitions of "Qualifying Transit" and "High Quality Transit" in the AHSC Program Guidelines could be used as a model. This measure of transit connectivity could be confirmed with project maps already included in the application along with transit schedules rather than an additional Metropolitan Planning Organization (MPO) verification.</p> <p><b>Therese W. McMillan, Metropolitan Transportation Commission</b></p>	<p>The definition for Transit Priority Area is set forth in Public Resources Code section 21099. Modifications to the definition require legislative action.</p>

302(ii) Definition: Urbanized Area	<p>Revise to read as follows: ...means an incorporated city, or an Urbanized Area or urban cluster as defined by the United States Census Bureau, or an unincorporated area within an urban service area that is designated in the local general plan for urban development and is eligible to be served by sewer and water within the urban service area. We are concerned the phrase "is served by public sewer and water" implied that utilities connections must exist to the site, where in reality the IIG funds may be needed to extend the infrastructure to serve the site.</p> <p><b>Betsy McGovern Garcia, Self-Help Enterprises</b></p>	<p>The definition of Urbanized Area is set forth in the Health and Safety Code section 53545.12. Modifications to the definition require legislative action.</p>
302(ii) Definition: Urbanized Area	<p>How can unincorporated [areas] be eligible when qualifying [areas] must be within designated urban service? This seems detrimental to our rural communities.</p> <p><b>Valerie Dalley, Department of Public Works and Planning, County of Fresno</b></p>	<p>The intent of the "urban service" requirement is to ensure that proposed projects meet the concepts of infill development and do not contribute to fringe development.</p>
<b>303 Eligible Projects</b>		
303(b)(1) Eligible Projects: Urbanized Area	<p>It is impossible to qualify with rural.</p> <p><b>Valerie Dalley, Department of Public Works and Planning, County of Fresno</b></p>	<p>Over the life of the program, the Department has awarded 11 rural projects. We continue to partner with rural applicants and advocates to increase the number of applications and awards from rural communities.</p>
303(b)(4) Eligible Projects: Net Density	<p>[the Guidelines include the following requirement] Residential densities in Rural Areas shall include at least 10 units per acre. This is difficult in our rural communities that want to stay a rural community. Current zoning would not allow.</p> <p><b>Valerie Dalley, Department of Public Works and Planning, County of Fresno</b></p>	<p>We understand that many communities, especially in rural locations, are challenged by density requirements. We have awarded many rural projects and the Department is happy to work with applicants to find a path forward for their proposals.</p>
303(b)(4&7) Eligible Projects: Net Density	<p>We recommend that HCD re-evaluate baseline density requirements. HCD's default densities are memorialized in an HCD memo that is more than 8 years old. Its population-based criteria forces sites into one of 4 jurisdiction types. This generalized approach disadvantages certain meritorious sites that may be relatively dense compared to existing densities.</p> <p><b>Brian D'Andrea, Century Housing Corporation</b></p>	<p>Net Densities are defined in the Government Code section 65583.2, subdivision (c)(3)(B).</p>

303(b)(4&7) Eligible Projects: Net Density	<p>We suggest that the density requirements are evaluated with regard to where a project is located. For example, some developments in what is technically considered metropolitan cities or counties might be dense relative to the housing already built in those communities but might not qualify because of excessive density requirements in these sections. These criteria make it difficult for quality affordable housing developments to be built in less dense communities where there is a lack of affordable housing. In addition, it is in these less dense communities where affordable housing projects are required to build significant and costly offsite improvements that could greatly benefit from IIG financing. It would be better if the Guidelines eliminated the density requirement as a threshold item and relied solely on the definition for QIP. However, if a density requirement is necessary, it would help if the regulations used Net Density for these criteria.</p> <p><b>Francisco Martinez, Southern California Association of Nonprofit Housing, Mee Heh Risdon, A Community of Friends</b></p>	Please see the explanation above.
303(b)(4) Eligible Projects: Net Density	<p>For projects completed in phases, allow eligible projects to be evaluated based on the overall density including all phases, not just each individual phase. The current approach penalizes multi-phase projects that combine phases with very high density and lower or medium density but overall achieve the minimum Net Density. Multi-phase projects often have even higher infrastructure needs, and to exclude them would seem to run counter to the Program objectives. At minimum, allow this approach for projects which are redevelopments of obsolete public housing stock that are being completed in partnership with a Housing Authority.</p> <p><b>Rose Olson, Related California</b></p>	The Program does not identify multi-phase projects. If there are scattered sites, the Program considers individual density of the sites. If there is a single building, the Program considers the overall number.
303(b)(5) Eligible Projects: Adopted Plans	<p>Many counties prepare and maintain community plans for unincorporated areas of the county, which function like general plans do in the incorporated areas. To allow for development on infill sites in unincorporated areas that are clearly designated for urban development, we request you add the following: <i>Eligible projects must be located in an area designated for mixed-use or residential development pursuant to one of the following adopted plans: Community plan adopted by the Locality designating the parcel where the QIP is located as an urban use.</i></p> <p><b>Betsy McGovern Garcia, Self-Help Enterprises</b></p>	Health and Safety Code § 53545.13(c)(4) identifies the acceptable plans. Modifications to this requirement would require legislative action.

<p><b>303(b)(5&amp;6) Eligible Projects: Adopted Plans &amp; Replacement</b></p>	<p>We again recognize that the Department is referencing the IIG statute, but in order to reflect other more recent statutory changes, the Department should delete (B) referring to redevelopment plans and update (C) to reference Sustainable Communities Strategies (SCS) or Alternative Planning Scenarios approved by Air Resource Board (ARB), as the Guidelines do in Section 309(f).</p> <p>Similarly, the Departments should delete paragraph (6) as there are no longer any redevelopment projects, making the language moot.</p> <p><b>Mark Stivers and Nicole Norori, California Housing Partnership; Amie Fishman, Non-Profit Housing Association</b></p>	<p>Please see the explanation above.</p> <p>Provision 6 was deleted from the Guidelines as there are no longer any redevelopment projects.</p>
<b>304 Eligible Cost</b>		
<p><b>304(a)(4) Eligible Costs: Parking</b></p>	<p>Are public parking structures an eligible use?</p> <p><b>Unknown, webinar</b></p>	<p>Potentially. Parking structures are eligible if they are required for the QIP or if they are a required replacement of Transit Station parking and meet the definition of Structured Parking set forth in the Guidelines. See Section 304 for further guidance.</p>
<p><b>304(a)(4) Eligible Costs: Parking</b></p>	<p>Existing public surface parking lots located near downtown amenities and transit options represent some of the best opportunities to build affordable housing. Replacement of the public parking spaces, often in new parking structures, is frequently a condition of approval for developing housing on existing parking lots. In order to continue incentivizing transit providers and to further incentivize jurisdictions to make their parking lots available for housing, the Department should 1) remove the proposed limitation that allows only the replacement of currently structured parking to be demolished, and 2) add the following language to read, "<i>Replacement of Transit Station parking spaces or public parking within 0.5 mile of a Major Transit Stop or Transit Station, not to exceed \$50,000 per space.</i>"</p> <p><b>Mark Stivers and Nicole Norori, California Housing Partnership; Andy Madeira, Eden Housing; Alice Talcott, MidPen Housing; Amie Fishman, Non-Profit Housing Association</b></p>	<p>Public Structured Parking that is required as a condition of approval for the QIP and meets the requirements set forth in the Guidelines is an Eligible Cost.</p>

304(a)(4) Eligible Costs: Parking	<p>The Guidelines only list structured parking as eligible costs. We recommend that surface parking be included as an eligible cost, especially considering that surface parking costs less to build than structured parking. To the extent density requirements can be satisfied, we assert that surface parking should be an allowable cost. This will lead to more cost-efficient projects.</p> <p><b>Brian D'Andrea, Century Housing Corporation; Francisco Martinez, Southern California Association of Nonprofit Housing; Mee Heh Risdon, A Community of Friends; Vanessa Luna, Brilliant Corners</b></p>	<p>While it's true that surface parking costs less to construct, Structured Parking uses less space and saves valuable land for other uses. The long-term value of consolidated development and efficient land use helps justify the cost.</p>
304(a)(8) Eligible Costs: Site	<p>Site clearance, grading and preparation for the housing development is a housing cost and should not be considered infrastructure. This paragraph should therefore include the clause "<i>necessary for the development of the Capital Improvement Project</i>".</p> <p><b>Mark Stivers and Nicole Norori, California Housing Partnership</b></p>	<p>The suggested change was incorporated. The provision now states the following:</p> <p><i>Site clearance, grading, preparation, and demolition necessary for the development of the Capital Improvement Project.</i></p>
304(a)(8) Eligible Costs: Site	<p>For projects in a larger development plan which have incurred demolition and environmental abatement costs before the IIG application/award, are site preparation costs reimbursable with IIG Program funds?</p> <p><b>Unknown, webinar</b></p>	<p>Per the Guidelines, the costs related to preconstruction of CIPs (i.e., site clearance, grading, preparation, and demolition necessary for the development of a CIP) cannot be incurred before the application due date. The definition of CIP is consistent with the Health and Safety Code.</p>
304(a)(9) Eligible Costs: Public Art	<p>Public art was removed as an eligible cost associated with sidewalk or streetscape improvements. This removal is problematic since public art has become a new favorite condition of approval for many cities. We recommend adding public art back in as an eligible expense as required by local land-use entitlement approvals.</p> <p><b>Andy Madeira, Eden Housing</b></p>	<p>Eligible Costs were modified for clarity and consistency with Health and Safety Code (§ 53545.12.). Eligible costs in the IIG Guidelines focus on the primary purpose of the IIG Program, which is to allocate funds for CIPs that are an integral part of, or necessary to facilitate the development of, a QIP or a QIA.</p>

<p>304(a)(13) Eligible Costs: Soft Costs</p>	<p>Please explicitly clarify that soft costs relating to the physical improvements, such as engineering costs necessary to design the utility service improvements, are included within eligible costs.</p> <p><b>Andy Madeira, Eden Housing</b></p>	<p>The provision was expanded to incorporate the suggested change.</p>
<b>305 Grant terms and limits</b>		
<p>305(c) Grant Terms &amp; Limits: Commercially Reasonable Range</p>	<p>This subsection reads: "<i>The Eligible Applicant must demonstrate that the grant will not result in a profit that exceeds the commercially reasonable range for other developments of similar size and level of risk.</i>" We request clarity on what "<i>a profit that exceeds the commercially reasonable range</i>" means and how that would be calculated for each project.</p> <p><b>Francisco Martinez, Southern California Association of Nonprofit Housing; Mee Heh Risdon, A Community of Friends</b></p>	<p>Language in the Guidelines has been updated.</p>
<p>305(c) Grant Terms &amp; Limits: Commercially Reasonable Range</p>	<p>The new language that describes a "<i>commercially reasonable range</i>" is incredibly vague. Please provide a definition of this "<i>reasonable range</i>" or tie it back to other HCD programs.</p> <p>Please clarify whether non-profit organizations are exempt from this requirement.</p> <p><b>Andy Madeira, Eden Housing</b></p>	<p>Please see the explanation above.</p> <p>This provision refers to the definition of an Eligible Applicant. Therefore, it refers to all entities included in the definition of an Eligible Applicant (including non-profit and for-profit Developers of QIPs).</p>
<p>305(c) Grant Terms &amp; Limits: Commercially Reasonable Range</p>	<p>We recommend that the requirement to demonstrate that the IIG funds "<i>will not result in a profit that exceeds the commercially reasonable range for other developments of similar size and level of risk</i>" be deleted as it is unclear how applicants would evidence this.</p> <p><b>Vanessa Luna, Brilliant Corners</b></p>	<p>Please see the explanation above.</p>

<p>305(c) Grant Terms &amp; Limits: Commercially Reasonable Range</p>	<p>We have no objection to the intent of this new section but are concerned about the vague language in this section. How will applicants be asked to demonstrate compliance with this?</p> <p>We suggest that this section refer to the tax credit guidelines for developer fee and require that applicants comply with those requirements. If applicants are not proposing to use tax credits, they can still be asked to calculate and comply with the 4 percent requirements. We strongly encourage HCD not to create a new tool or calculator for measuring excess profit, since TCAC has already spent years developing a tool that developers are familiar with.</p> <p><b>Jessica Sheldon, Resources for Community Development; Amie Fishman, Non-Profit Housing Association</b></p>	<p>Please see the explanation above.</p>
<b>306 Performance Requirements</b>		
<p>306(a) Performance Requirements: Begin Construction</p>	<p>We recommend extending the requirement that construction start within 2 years of the award to within 3 or 4 years. This would align with other HCD programs. The latest AHSC Guidelines, for example, require a construction start by July 2024 (in other words, 3 years after the upcoming 2021 awards). No Place Like Home (NPLH) Program requires construction start within 3 years and conversion within 6 years and allows for extensions. We understand the importance of prioritizing projects that can start construction and deliver new homes as soon as possible. However, the current climate makes it difficult for some projects to move forward quickly. COVID-19 has upended the economy, including affordable housing financing from equity investors and bank lenders. There are currently fewer investors in the market, and those investing in projects are offering lower financing than in past years. Contractors and workers are also still adjusting to working during a pandemic, and it is taking longer than usual to negotiate contracts and move forward with construction.</p> <p><b>Amie Fishman, Non-Profit Housing Association; Jessica Sheldon, Resources for Community Development</b></p>	<p>The AHSC program is continuously appropriated and has more flexibility in disbursements. The IIG program has tighter disbursement constraints.</p> <p>However, performance requirements will be set forth in the NOFA and Standard Agreement.</p>
<p>306(a) Performance Requirements: Begin Construction</p>	<p>Under 306(a), is the 2 year start requirement for the initial QIP or all QIP housing projects?</p> <p><b>Art May, Keystone Development Group</b></p>	<p>The start requirement refers to all of the housing units which were used as the basis for calculating the Program award. However, performance requirements will be set forth in the NOFA and Standard Agreement.</p>

306(c)(2) Performance Requirements: Disbursement Deadlines	<p>Please provide additional details on the procedure for requesting an extension to the disbursement deadline. Will the applicant be able to request such an extension?</p> <p><b>Andy Madeira, Eden Housing</b></p>	Per IIG Guidelines, Program funds will be disbursed in accordance with the deadlines specified in the NOFA and Standard Agreement
306(c)(2) Performance Requirements: Disbursement Deadlines	<p>We recommend that HCD consider extensions to the disbursement timelines given the dual uncertainties around accessing the now competitive tax-exempt bonds and COVID-19.</p> <p><b>Jeffrey White and Lydia Ely, Office of Community Investment and Infrastructure</b></p>	Please see the explanation above.
<b>307 Application Process</b>		
307(b)(1) Application Process: Minimum Points	<p>Is there a minimum number of points that an applicant for a QIP or QIA must score in order to be considered for an award?</p> <p><b>Unknown, webinar</b></p>	<p>Applicants must score 210 points to be considered for funding.</p> <p>The tie-breaker criterion is outlined in the NOFA.</p>

307(b)(3) Application Process: Tiebreaker	<p>It was mentioned in the webinar that 3 tie-breaker points would be awarded for each successful QIP completed. It was unclear if this applied only to QIAs with completed QIPs or if it would also apply to successful developers of past individual QIPs. In either instance, this tiebreaker scoring would unfairly disadvantage emerging Community Development Corporations (CDCs) and other Community-Based Organizations (CBOs) or developers, particularly those led and/or owned by persons of color, that may not have had the opportunity to develop a QIP or apply for IIG funding in the past. It should be noted that at the recent September 14, 2020 CDLAC meeting, the Governor's Consumer Services and Housing Agency (BCSH) recommended creating a separate CDC and CBO bond allocation pool in 2021 to support organizations led and/or owned by persons of color in furtherance of racial equity within affordable housing development. With a similar intent, we recommend that HCD remove this tie-breaker criterion and consider other metrics by which Black and Brown developers may successfully access these funds.</p> <p><b>Jeffrey White and Lydia Ely, Office of Community Investment and Infrastructure</b></p>	<p>To align with related Department programs, the tie-breaker criterion is outlined in the NOFA.</p>
307(b)(3) Application Process: Tiebreaker	<p>For points awarded for each QIP, is it each completed QIP within an area, or is it each completed QIP under the Developer's record?</p> <p><b>Unknown, webinar</b></p>	<p>Points are awarded for each QIP completed by the Eligible Applicant.</p>
307(b)(4) Application Process: Geographic Distribution	<p>The existing IIG scoring criteria were developed and refined over time to reflect the Program goals and statewide priorities. It's not clear how the proposed adjustment in Section 307(b)(4) regarding the geographic considerations will be implemented. We recommend maintaining a focus on the quantitative scoring to ensure the projects that best meet Program goals are funded.</p> <p><b>Therese W. McMillan, Metropolitan Transportation Commission</b></p>	<p>To align with related Department programs, geographic targets are identified in the NOFA.</p>
307(b)(4) Application Process: Geographic Distribution	<p>Section 307(b)(4) determines geographic allocations goals of 45 percent of the total IIG funding to Southern California, 10 percent to the Central Valley, and 45 percent to Northern California counties. As such, we recommend the goals be redistributed to reflect population and infrastructure needs.</p> <p>To ensure that Rural Areas can access funds under IIG, we strongly encourage HCD to establish a requirement that at least 10 percent of funds allocated to each geographic area go to projects in Rural Areas.</p> <p><b>Brian Augusta et al, California Rural Legal Assistance Foundation et al.</b></p>	<p>A funding target for counties with a population under 250,000 is included in the NOFA. Additionally, the Guidelines continue to include adjusted requirements for projects from Rural Areas.</p>

307(b)(4) Application Process: Geographic Distribution	10 percent going toward Central Valley, but this includes cities as well as counties, putting Rural Areas down for the count. Cannot compete with the transit hubs and infrastructure available in cities, lowering our scores.  <b>Valerie Dalley, Department of Public Works and Planning, County of Fresno</b>	Please see the explanation above.
<b>308 Application Threshold Requirements</b>		
	No comments	
<b>309 Selection Criteria for Qualifying Infill Projects</b>		
309(a)(1) Selection Criteria for QIPs: Readiness - Environmental Review Status	This section grants “ <i>points based on the extent to which environmental reviews and necessary entitlements can be completed for the Qualifying Infill Project or Qualifying Project Area within a reasonable period of time following the submittal of the Program application.</i> ” We suggest that “ <i>reasonable period of time</i> ” be defined as an exact time period for clarity.  <b>Francisco Martinez, Southern California Association of Nonprofit Housing; Mee Heh Risdon, A Community of Friends</b>	The Guidelines have been updated to define the timeframe as the Program application due date.
309(a) Selection Criteria for QIPs: Readiness - Environmental Review Status	309(a) allows projects to complete entitlement and/or environmental review within reasonable time after application deadline, instead of by application deadline. This is a change from past. Why the change?  <b>Unknown, webinar</b>	Please see the explanation above.

<p>309(a)(1) &amp; 310(a)(2) Selection Criteria for QIPs &amp; QIAs: Readiness - Environmental Review Status</p>	<p>We strongly urge the Department to clarify that, where project-based vouchers are the only subsidy triggering the National Environmental Policy Act (NEPA) review, NEPA review need not be completed in order to obtain full readiness points. NEPA clearance relates to the release of funds and does not affect a project's ability to proceed to construction.</p> <p><b>Alice Talcott, MidPen Housing;</b>  <b>Amie Fishman, Non-Profit Housing Association;</b>  <b>Cynthia Parker, Bridge Housing;</b>  <b>Andy Madeira, Eden Housing;</b>  <b>Elissa Dennis et al., Community Economics;</b>  <b>Mark Stivers and Nicole Norori, California Housing Partnership;</b>  <b>Francisco Martinez, Southern California Association of Nonprofit Housing;</b>  <b>Mee Heh Risdon, A Community of Friends;</b>  <b>Jessica Sheldon, Resources for Community Development</b></p>	<p>Project Readiness – Environmental Review Status scoring will not be affected when NEPA reviews are required solely because of vouchers.</p> <p>If federal funds are part of the CIP funding sources, then NEPA documentation will be required for readiness points.</p>
<p>309(a)(1) &amp; 310(a)(2) Selection Criteria for QIPs &amp; QIAs: Readiness - Environmental Review Status</p>	<p>August 31, 2020 email from Laura Bateman stating, “<i>Where NEPA is required solely for the purpose of project-based vouchers, it does not impact readiness points,</i>” and in AHSC, as evidenced by the striking of the response in Threshold paragraph (a)(7) of the Round 5 Q&amp;A.</p> <p><b>Andy Madeira, Eden Housing;</b>  <b>Mark Stivers and Nicole Norori, California Housing Partnership</b></p>	<p>Please see the explanation above.</p>
<p>309(a)(1)(A) Selection Criteria for QIPs: Readiness - Environmental Review Status</p>	<p>In alignment with the TCAC, we recommend removing the requirement for evidencing compliance with NEPA in order to obtain readiness points for environmental review.</p> <p><b>Vanessa Luna, Brilliant Corners</b></p>	<p>Please see the explanation above.</p>

<p>309(a)(2) &amp; 310(a)(1)(3) Selection Criteria for QIPs &amp; QIAs: Readiness - Land Use Entitlements</p>	<p>The wording “can” receive entitlements is subjective and will be extremely difficult to assess. We encourage more specific language explaining criteria to determine what is needed to earn these points.</p> <p><b>Alice Talcott, MidPen Housing; Amie Fishman, Non-Profit Housing Association; Elissa Dennis et al., Community Economics; Mark Stivers and Nicole Norori, California Housing Partnership</b></p>	<p>The Guidelines have been updated to define the timeframe as the Program application due date.</p>
<p>309(a)(2) &amp; 310(a)(3) Selection Criteria for QIPs &amp; QIAs: Readiness - Land Use Entitlements</p>	<p>The Department should alter (A) to provide the maximum 30 points only for projects that have been granted land use approvals, consistent with readiness requirements of all other state and Department funding programs.</p> <p><b>Mark Stivers and Nicole Norori, California Housing Partnership; Alice Talcott, MidPen Housing; Amie Fishman, Non-Profit Housing Association</b></p>	<p>The Department feels the point differential of 15 points from the maximum for lesser stages of local approval is significant, and adequately rewards the applications with complete approvals.</p>
<p>309(a)(2) Selection Criteria for QIPs: Readiness - Land Use Entitlements</p>	<p>Land entitlement and zoning must be ready, but project cannot have started? Shouldn’t this program be used as supplement, not the founding factor of a project?</p> <p><b>Valerie Dalley, Department of Public Works and Planning, County of Fresno</b></p>	<p>Correct, according to Section 308 (a)(1), construction of the CIP may not have commenced as of the application due date.</p>
<p>309(a)(2) &amp; 310(a)(3) Selection Criteria for QIPs &amp; QIAs: Readiness - Land Use Entitlements</p>	<p>Projects that have completed land use approvals (including expired appeal periods) should receive a significantly greater number of points in 309.a.1, 309.a.2, 310.a.1 and 310.a.2 than projects that can demonstrate that land use approvals can be obtained.</p> <p><b>Cynthia Parker, Bridge Housing</b></p>	<p>Section 309(a)(2) provides twice as many points are awarded for projects that have their land use entitlements and fewer points for projects that can obtain them.</p>

<p>309(a)(2)(A)(B) Selection Criteria for QIPs: Readiness - Land Use Entitlements</p>	<p>30 points shall be granted for applicants that “demonstrate that all necessary local land use approvals can be granted for the Qualifying Infill Project, as determined by a local land use authority.” The very next subsection [309(a)(2)(A)] grants 15 points when applicants are “eligible to receive all necessary local land use approvals” and “has submitted all applications.” In neither 309(a)(2)(A) nor 309(a)(2)(B) do the approvals have to be approved, so why are they worded differently? If there is a substantive difference, we recommend making what that is clear. If there is not a substantive difference, then we recommend using the same language in each subsection for the sake of clarity.</p> <p><b>Francisco Martinez, Southern California Association of Nonprofit Housing; Mee Heh Risdon, A Community of Friends; Vanessa Luna, Brilliant Corners</b></p>	<p>The point awards in Sections A, B, and C follow the principle to award significantly more points to an approved project than a project without approval and the point differentials seem appropriate.</p> <p>To differentiate between the two approval processes in Sections B and C, given that a Nondiscretionary Local Approval Process has a considerably shorter approval process time and provides more certainty than a Nondiscretionary Local Approval Process, the Guidelines incorporated a revision of Section B that does not require an application to be submitted, only that the application demonstrate it meets the requirements for nondiscretionary approval.</p>
<p>309(a)(2)(A) to (C) Selection Criteria for QIPs: Readiness - Land Use Entitlements</p>	<p>We request that the distinction between section A, which requires the demonstration that “all necessary local land use approvals can be granted” in order to obtain the full 30 points and section B, which requires that applications demonstration that a “Qualifying Infill Project is eligible to receive all necessary local land use approvals pursuant to a Nondiscretionary Local Approvals Process and has submitted all applications for such necessary approvals” in order to receive 15 points be clarified. Also, the distinction between sections B and C are unclear. We recommend that IIG award full points to applications that have entitlements in place, approved, or can evidence that they are not necessary at the time of application.</p> <p><b>Vanessa Luna, Brilliant Corners</b></p>	<p>Please see the explanation above.</p>

309(a)(3) & 310(a)(3) Selection Criteria for QIPs & QIAs: Readiness - Leveraged Funding Commitments	<p>We recommend that the permanent financing noted under funding commitment levels in Section 309 and 310 be clarified to indicate that conventional permanent financing commitments and other HCD, local, county and philanthropic financing sources will be used to calculate the amount of permanent financing committed as a percentage of total development cost, less deferred costs. As noted above, TCAC and CDLAC commitments should not be included in this calculation as awards from CDLAC and TCAC will be received contingent on the project receiving all other subsidy funding.</p> <p><b>Cynthia Parker, Bridge Housing</b></p>	<p>Counting the aforementioned commitments keeps us aligned with the leverage scoring criterion in related Department programs, as well as our new definition of EFCs.</p>
309(a)(3)(A) Selection Criteria for QIPs: Readiness - Leveraged Funding Commitments	<p>We support revising scoring for funding commitment levels to apply only to permanent financing and removing construction financing from the points category.</p> <p><b>Elissa Dennis et al., Community Economics</b></p>	<p>The Department has adjusted the Guidelines to reflect that only committed permanent sources will count as leveraged funding commitments.</p>
309(a)(3)(B) Selection Criteria for QIPs: Readiness - Leveraged Funding Commitments	<p>We recommend that this deleted section remain part of the Guidelines. Land donations should remain as allowing proof of a leveraged financing commitment. This change in the HCD Draft Guidelines will dramatically increase the burden on applicants if they wish to demonstrate how they benefit from a land donation. With this section eliminated, applicants will be forced to acquire the site through donation and carryback a loan for the value of the site, which would be very inefficient and cumbersome.</p> <p><b>Mee Heh Risdon, A Community of Friends</b></p>	<p>A land donation will be considered a commitment of local support.</p>
309(a)(3) Selection Criteria for QIPs: Readiness - Leveraged Funding Commitments	<p>We recommend that tax credits be treated as "committed" for the purpose of the application. Applicants should not need to have been awarded a reservation letter from TCAC in order to receive full points for enforceable financing commitments. Also, the value of any land donated and supported by an appraisal should count as committed financing.</p> <p><b>Vanessa Luna, Brilliant Corners</b></p>	<p>The Department will require a Reservation Letter for both 4 percent and 9 percent tax credits.</p>
309(a)(4)(B)(i) Selection Criteria for QIPs: Readiness - Local Support	<p>Guidelines should clarify or state that additional debt supported by project-based vouchers committed to a Project will be considered Local Support, consistent with TCAC regulations.</p> <p><b>Rose Olson, Related California</b></p>	<p>The Department will consider additional debt supported by project-based vouchers as committed 309(a)(4)(B)(iii).</p>

309(a)(4)(B)(ii) Selection Criteria for QIPs: Readiness - Local Support	<p>We recommend that the Guidelines eliminate the requirement of "<i>an independent third-party appraisal prepared by a qualified appraiser who is a Member of the Appraisal Institute (MAI) conducted within one year of the application deadline.</i>" This is an unnecessary burden, especially in the many instances when the original purchase price is known.</p> <p><b>Francisco Martinez, Southern California Association of Nonprofit Housing; Mee Heh Risdon, A Community of Friends</b></p>	<p>Independent third-party appraisal confirms purchase price and fee title record, and the requirement is standard across Department funding programs.</p>
309(a)(4)(B)(ii) Selection Criteria for QIPs: Readiness - Local Support	<p>For the same reasons stated in our comment to the definition of EFC in Section 302(l), the Department should count donations and waivers without discretion by replacing "may" with "shall."</p> <p><b>Mark Stivers and Nicole Norori, California Housing Partnership; Amie Fishman, Non-Profit Housing Association</b></p>	<p>We replaced "may" with "shall".</p>
309(a)(4) & 310(a)(5) Selection Criteria for QIPs and QIAs: Readiness - Local Support	<p>Section 309(4) and Section 310(5) award points for projects that demonstrate Local Support through a local match of either 25 percent or 15 percent of the total request amount. Though we appreciate some of the flexibility the Guidelines allow to meet this match, it is unlikely that rural communities could meet this requirement and would further disadvantage applications from these areas. We recommend this point allocation be modified to reflect a more equitable approach for projects where the local jurisdiction may not be able to provide a financial match to demonstrate their support.</p> <p><b>Brian Augusta et al, California Rural Legal Assistance Foundation et al.</b></p>	<p>Although we realize that rural communities may have limited funds available to demonstrate Local Support, there are other ways, such as a land donation, that allow these communities to show their support.</p>
309(a)(5) Selection Criteria for QIPs: Readiness - Prohousing Policies	<p>Our application would be pushing our housing so we could further prohousing policies. This points section feels like being pushed back for not already being there.</p> <p><b>Valerie Dalley, Department of Public Works and Planning, County of Fresno</b></p>	<p>The Department considers prohousing policy requirements as an effective incentive for jurisdictions that promote housing.</p>
309(a)(5) Selection Criteria for QIPs: Readiness - Prohousing Policies	<p>For the below point category of the Prohousing policies, would a QIP receive points if the jurisdiction adopts an Accessory Dwelling Unit (ADU) ordinance and it goes beyond the requirements for one of the following points? In order to receive points, the ordinance doesn't need to go beyond the requirements for all of the below, correct?</p> <p><b>Michelle Kim, MidPen Housing Corp.</b></p>	<p>ADUs are one of the ways to achieve prohousing objectives. Within these Guidelines, points will be awarded for projects in jurisdictions that have adopted ADU ordinances.</p>

309(a)(5)(i) Selection Criteria for QIPs: Readiness - Prohousing Policies	<p>If the Locality has funding available for affordable housing development directly from the locality itself, whether through in-lieu or impact fees collected from market-rate developments for affordable housing developments, this funding would be considered local financial incentives for housing, correct?</p> <p><b>Unknown, webinar</b></p>	<p>If the funds are coming directly from the local jurisdiction, the Department will consider this Local Support. The funds must go through the city.</p>
309(a)(5) Selection Criteria for QIPs: Readiness - Prohousing Policies	<p>Inclusion of points for prohousing policies is premature and lacks focus on affordability. The Guidelines propose points in the scoring system for being located in a jurisdiction that has “prohousing policies.” While we support efforts to ensure that Localities are taking seriously their obligations to provide their fair share of housing at all income levels, we do not agree that adding points or preference in grant programs is the way to get there. The state should be supporting efforts by developers to produce affordable housing in all communities, especially in exclusionary jurisdictions that may not have any prohousing policies on the books. While we understand AB 101 (Chapter 159, Statutes of 2019) requires points or preference for prohousing policies in state funding programs, we note that this requirement is not applicable to award cycles prior to July 1, 2021. We recommend striking the points for prohousing policies and instead assigning those points to support affordability, and then convening a working group to think through how to thoughtfully implement prohousing policy requirements to ensure an appropriate focus on increasing the availability of affordable units, affirmatively furthering fair housing, and avoiding the displacement of vulnerable communities.</p> <p><b>Brian Augusta et al, California Rural Legal Assistance Foundation et al.</b></p>	<p>The Department considers prohousing policy requirements as an effective incentive for jurisdictions that promote housing.</p>
309(a)(5)(A)(i) Selection Criteria for QIPs: Readiness - Prohousing Policies	<p>We suggest broadening examples of local financial incentives for housing and/or clarifying the definition provided. For example, will local housing funds from commercial linkage fees qualify? Also, as currently written, cities that instituted financial incentives more than 5 years ago may not be awarded points for these incentives, regardless of whether the incentives continue to be administered. We suggest removing “over the last five years” term and instead clarifying that the financial incentives must be currently in effect in order to qualify.</p> <p><b>Amie Fishman, Non-Profit Housing Association; Alice Talcott, MidPen Housing</b></p>	<p>The Guidelines indicate that any local funds used to incentivize a housing development would meet the definition of a “local financial incentive.” While the Guidelines provide a few examples of “local financial incentives,” local housing trust fund and fee waivers, they do not limit the term to only the examples. As a result, other local funds, including commercial linkage fees used to fund a housing development, would be considered a local financial incentive.</p>

309(a)(5)(A)(i) Selection Criteria for QIPs: Readiness - Prohousing Policies	<p>We suggest removing the language that programs must have been implemented in the last 5 years and instead only require that the programs be currently in effect.</p> <p><b>Elissa Dennis et al., Community Economics; Amie Fishman, Non-Profit Housing Association; Alice Talcott, MidPen Housing</b></p>	<p>The Guidelines have been updated to state that 4 points will be awarded to projects located in jurisdictions that have implemented programs over the last five years, <i>that are currently in effect</i>, that finance infrastructure with accompanying increased housing capacity or provide local financial incentives for housing, including, but not limited to, a local housing trust fund or fee waivers.</p>
309(a)(5)(A)(i) Selection Criteria for QIPs: Readiness - Prohousing Policies	<p>We also note that prohousing points were removed from AHSC Draft Guidelines evaluation criteria and we wonder if it makes sense to be consistent in the two programs.</p> <p><b>Elissa Dennis et al., Community Economics</b></p>	<p>Yes, AHSC removed the prohousing criteria from the AHSC Draft Guidelines. The Department considers prohousing policy requirements as an effective incentive for jurisdictions that promote housing.</p>
309(a)(5)(A)(ii) Selection Criteria for QIPs: Readiness - Prohousing Policies	<p>Workforce housing zones and housing sustainability districts are both new concepts (both came out of 2017 legislation effective January 2018: SB 540 and AB 73). We suggest allowing cities more time to implement before points are awarded for these criteria.</p> <p><b>Amie Fishman, Non-Profit Housing Association; Alice Talcott, MidPen Housing</b></p>	<p>A jurisdiction can earn points if it has adopted any of the following three measures: Nondiscretionary Local Approval Process for residential and mixed-use development in all zones permitting multifamily housing, a Workforce Housing Opportunity Zone, or a housing sustainability district. Although Workforce Housing Opportunity Zones and a housing sustainability district are relatively new, they are not required to earn points.</p>
309(a)(5)(A)(iii) Selection Criteria for QIPs: Readiness - Prohousing Policies	<p>We suggest clarifying how cities document the density required to accommodate 150 percent of the RHNA allocation of low income.</p> <p><b>Alice Talcott, MidPen Housing; Amie Fishman, Non-Profit Housing Association</b></p>	<p>The jurisdiction can certify that it zones more adequate sites for residential development than is required to accommodate 150 percent of the minimum regional housing need allocation for the Lower Income allocation in the current housing element cycle.</p>

<p>309(a)(5)(A)(iv) Selection Criteria for QIPs: Readiness - Prohousing Policies</p>	<p>We suggest clarifying whether or not an ADU ordinance would need to have all of the characteristics listed or only a certain number in order to achieve the points. It is also unclear how HCD will determine what makes a “<i>user-friendly website</i>”.</p> <p><b>Amie Fishman, Non-Profit Housing Association; Alice Talcott, MidPen Housing</b></p>	<p>The list represents other ways to award the points in that scoring category.</p>
<p>309(a)(5)(A)(v) Selection Criteria for QIPs: Readiness - Readiness: Prohousing Policies</p>	<p>More information is needed regarding the performance standards that publicly available fee calculators need to meet in order to qualify for points. For example, do all fees need to be estimated through the calculator or would only major fees be adequate?</p> <p><b>Amie Fishman, Non-Profit Housing Association; Alice Talcott, MidPen Housing</b></p>	<p>Any adopted fee transparency measures, including publicly available fee calculator, will be accepted to qualify for these points.</p>
<p>309(c) Selection Criteria for QIPs: Density</p>	<p>HCD currently scores applications based on the extent to which the average residential density of the QIP, adjusted by unit size, exceeds the required density specified in Section 303(b)(4) which for a jurisdiction in a metropolitan county is at least 30 units per acre.</p> <p>We recommend that HCD change how it calculates minimum Net Density by allowing eligible projects to be evaluated based on the overall density of a multi-phase project, not just each individual phase. Multi-phase projects often have even higher infrastructure needs and to exclude them would seem to run counter to the Program objectives.</p> <p><b>Jenny Scanlin, Housing Authority of the City of Los Angeles</b></p>	<p>Net Density is based on the units used in the calculation of the IIG grant amount, and multi-phase projects are not eligible in that calculation.</p>
<p>309(c) Selection Criteria for QIPs: Density</p>	<p>The unit size adjustments for density disadvantage smaller units that are more typically found in senior housing and supportive housing. We suggest closing the gap between smaller units and larger units by increasing the factor for 0 bedrooms to 1.0 and for one-bedrooms to 1.1. The present structure of the IIG Guidelines favors larger units to the disadvantage of Senior and special needs populations which typically benefit from smaller units.</p> <p><b>Brian D'Andrea, Century Housing Corporation</b></p>	<p>The density factor calculation helps balance the number of bedrooms against the unit numbers to incentivize higher occupancy.</p>

<p>309(d) Selection Criteria for QIPs: Access to Transit</p>	<p>We recommend the Guidelines increase the distance to a Major Transit Stop to a half mile for full points, which would put it in line with the AHSC Program Guidelines.</p> <p>We also recommend that the Guidelines allow for van service from developments, a reasonable accommodation for disabled households.</p> <p><b>Francisco Martinez, Southern California Association of Nonprofit Housing; Mee Heh Risdon, A Community of Friends; Brian D'Andrea, Century Housing Corporation</b></p>	<p>Both the Transit-Oriented Development program and IIG incentivize closer proximity to transit. IIG allows 10 points for QIPs that are within one-half mile of transit.</p> <p>Scoring components must be based on currently operating transit. Van service would require contracts and it isn't publicly trackable.</p>
<p>309(d) Selection Criteria for QIPs: Access to Transit</p>	<p>The proposed Guidelines allow a maximum of 20 points for Access to transit but only permit access to Major Transit Stops with high frequency transit to qualify. Major Transit Stops and Bus Transfer Stations, as defined, do not serve many rural communities, or even small cities. Instead, smaller communities often rely on flexible options including vanpools and ride shares which other state funding programs, including the AHSC Program, recognize as qualifying transit. We recommend allowing for more types and frequency of transit in allocation of points for small cities and rural communities.</p> <p><b>Brian Augusta et al, California Rural Legal Assistance Foundation et al</b></p>	<p>Although rural communities may not earn as many transportation points as applicants from urban communities, there are still many categories that allow rural communities to earn points and compete.</p>
<p>309(d) Selection Criteria for QIPs: Access to Transit</p>	<p>It feels like our rural communities are losing possible funding because they are not at the point of enough population to use a Major Transit Stop. If we are able to bring in more housing, we may actually be able to support regular transit lines.</p> <p><b>Valerie Dalley, Department of Public Works and Planning, County of Fresno</b></p>	<p>Please see the explanation above.</p>
<p>309(e) Selection Criteria for QIPs: Proximity to Amenities</p>	<p>Could you please confirm when measuring proximity to amenities from the QIP (not access to transit), the distance is to be measured as "<i>the crow flies</i>"?</p> <p><b>Unknown, webinar</b></p>	<p>Accessibility to amenities is not measured as "<i>the crow flies</i>". It is the accessibility of the amenity along a walkable route, evidenced by a scaled map.</p>
<p>309(e)(3) Selection Criteria for QIPs: Proximity to Amenities – Retail Center</p>	<p>Does an active downtown area count as a Retail Center? Can this be changed to retail area?</p> <p><b>Valerie Dalley, Department of Public Works and Planning, County of Fresno</b></p>	<p>302(cc) reads: "Retail Center means a downtown area or recognized neighborhood or regional shopping mall". Therefore, these terms are interchangeable.</p>

<p>309(e)(4) Selection Criteria for QIPs: Proximity to Amenities – Public Schools</p>	<p>The Guidelines only grant points for being near a school if “<i>at least 50 percent of the units have two or more bedrooms.</i>” We suggest eliminating this requirement (the bedroom type requirement) altogether because it would not make sense for the IIG Program to prefer large unit developments. On top of that, many IIG applicants include permanent supportive housing or Senior housing, which tend to be smaller units. [We make a similar recommendation for subsection 310(e)(1)(D).]</p> <p><b>Francisco Martinez, Southern California Association of Nonprofit Housing; Vanessa Luna, Brilliant Corners; Brian D’Andrea, Century Housing Corporation</b></p>	<p>The Guidelines have been updated to reflect the suggested change.</p>
<p>309(e) &amp; 310(e) Selection Criteria for QIPs &amp; QIAs: Proximity to Amenities</p>	<p>Sections 309(e) and 310(e) both award points based on the closeness of a QIP or QIA to amenities. The category awards 4 points per amenity, totaling 20 points among the five amenities. Such point allocation further disfavors projects in areas where any investment is greatly needed and where a large portion of the population is housing burdened. Though the geographic allocations, despite being inequitable, somewhat rectifies favoring more resourced counties, it does not support more rural projects and even less so those in unincorporated areas. We recommend the current point allocation be applicable for projects in incorporated communities as is. For applicants in unincorporated communities, if the project meets 2 of the 5 categories, it should be awarded the full 20 points. If it meets one of the categories, it should receive 10 points. Additionally, the distances for these amenities should be doubled to allow for a fairer and more competitive process in incorporated and unincorporated communities.</p> <p><b>Brian Augusta et al, California Rural Legal Assistance Foundation et al.</b></p>	<p>Although unincorporated areas may not earn as many amenity points, they are still eligible to earn points in the other categories.</p>
<p>309(e)(5) Selection Criteria for QIPs: Proximity to Amenities – Social Service Facilities</p>	<p>We support the expansion of the definition of social service facilities in section 309(e)(5) to include more projects.</p> <p><b>Jessica Sheldon, Resources for Community Development</b></p>	<p>Thank you for your comment.</p>

<p>309(e)(5) Selection Criteria for QIPs: Proximity to Amenities – Social Service Facilities</p>	<p>This change seems ill advised in that it appears to give site amenity points for any project, not just a special needs project, to be located near a social services facility. Whereas social services facilities generally serve seniors or persons with special needs, it seems largely unlikely that residents of a family development would use these services. The Department should therefore withdraw the proposed change to this paragraph.</p> <p><b>Mark Stivers and Nicole Norori, California Housing Partnership; Elissa Dennis et al., Community Economics</b></p>	<p>To provide flexibility for this scoring criterion, the Program wanted to broaden the category to include other related social services for other groups.</p>
<p>309(e) &amp; 310(e) Selection Criteria for QIPs &amp; QIAs: Proximity to Amenities</p>	<p>The scoring guidelines for the “Proximity to amenities” section for QIPs [309(e)] and for QIAs [310(e)] should be consistent. As an example, QIPs are eligible for 6 points if their project is within a quarter mile of a park and 4 points if their project is within half a mile of a park. QIAs, however, only have the 4 points within a half mile option. We also request clarification on how distance is measured for these points.</p> <p><b>Francisco Martinez, Southern California Association of Nonprofit Housing; Mee Heh Risdon, A Community of Friends</b></p>	<p>The Department made the point scoring equal between sections 309 and 310.</p>
<p>309(f)(1)(c) Selection Criteria for QIPs: Consistency With Regional Plans</p>	<p>We are concerned that many otherwise excellent infill development opportunities may be unduly disadvantaged by these requirements. We are particularly concerned by the potential fair housing implications of prioritizing funding to Priority Development Areas (PDAs) which are locally designated and tend to be more racially concentrated than non-PDA neighborhoods in the Bay Area. We respectfully request that HCD not rely on locally designated PDAs as a way to prioritize IIG funding and recommend that the Department conduct a disparate impact analysis on Transit Priority Areas to understand the potential racial implications of prioritizing funding to those geographies.</p> <p><b>Andy Madeira, Eden Housing; Amie Fishman, Non-Profit Housing Association; Alice Talcott, MidPen Housing</b></p>	<p>The purpose of Section 309(f)(1)(c) is to reward projects that are consistent with local plans and located within or near Transit Priority Areas.</p>

<p>309(f)(1)(c) Selection Criteria for QIPs: Consistency with Regional Plans</p>	<p>We propose adding scoring criteria for disadvantaged communities or low resource communities to put forward an argument for equity. Low resource communities, many of which have seen historic disinvestment and gentrification, that aren't in Transit Priority Areas aren't able to get full points in Consistency with Regional Plans section, but these low resource communities still need funds to update and add new infrastructure. Often, these communities don't have as much infrastructure investment to begin with or other fee-generating mechanisms in place to fund the infrastructure through other means.</p> <p>If Transit Priority Areas are maintained as a geography through which to prioritize funding, we would like to clarify that if any portion of a project site, but not needing the high threshold of 50 percent, is located in a Transit Priority Area, it still receives the full points.</p> <p><b>Andy Madeira, Eden Housing; Alice Talcott, MidPen Housing; Amie Fishman, Non-Profit Housing Association</b></p>	<p>While the Program promotes the development of infill housing, the Department at the same time strives to incentivize investments in all areas of the state, especially historically disadvantaged areas. These concerns will be taken into consideration as we continue to sharpen our focus on equity.</p> <p>A QIP in which at least 50 percent of the land area is within a Transit Priority Area will receive 5 points.</p>
<p>309(f)(1)(C) Selection Criteria for QIPs: Consistency with Regional Plans</p>	<p>In addition, we would like to clarify that a Major Transit Stop includes an intersection of two or more major bus routes that together have a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute hours.</p> <p><b>Amie Fishman, Non-Profit Housing Association; Alice Talcott, MidPen Housing</b></p>	<p>In order to serve as many residents as possible, the definition of a Major Transit Stop is only met when there are multiple bus routes that each have a frequency of service interval of 15 minutes or less.</p>

<p><b>309(f)(1)(C) Selection Criteria for QIPs: Consistency with Regional Plans</b></p>	<p>We are concerned about the potential implications for jurisdictions that are not located in a Transit Priority Area and/or are designated disadvantaged communities. We recommend that the Department conduct a disparate impact analysis on Transit Priority Areas to understand the legal implications of prioritizing funding to those geographies. Furthermore, we recommend that the Department reconsider the points system and allow jurisdictions to obtain the full 10 points in the Consistency with Regional Plans section by providing 5 points for a "Disadvantaged Communities" designation.</p> <p>We recommend that the Department integrate a "Disadvantaged Communities" designation into the Consistency with Regional Plans criterion and allow those jurisdictions or projects within those jurisdictions to receive 5 points for that designation.</p> <p>The lack of a "Disadvantaged Community" criterion on the IIG application creates a disconnect whereby the very communities that stand to have the greatest marginal benefit -- in terms of reduced pollution burden through infill development -- cannot receive full points in this category. Furthermore, those same under-resourced jurisdictions are in great need of critical water and sewer infrastructure improvements that will enable affordable housing developments to proceed. This is in direct alignment with the intent of the IIG Program.</p> <p>If Transit Priority Areas are maintained as a geography through which to prioritize funding, we would like to clarify that if any portion of a project site, not only those that meet the high threshold of 50 percent, is located in a Transit Priority Area, it still receives the full points.</p> <p><b>Alice Talcott, MidPen Housing</b></p>	<p>While the Program promotes the development of infill housing, the Department at the same time strives to incentivize investments in all areas of the state, especially historically disadvantaged areas. These concerns will be taken into consideration as we continue to sharpen our focus on equity.</p>
<p><b>309(f)(1)(C) Selection Criteria for QIPs: Consistency With Regional Plans</b></p>	<p>We would like to express our concern about Section 309(f)(1)(C) and its potential implications for jurisdictions that are not located in a Transit Priority Area and/or are designated disadvantaged communities. It is recommended that the Department reconsider the points system and allow jurisdictions to potentially obtain the full 10 points in the Consistency with Regional Plans section by providing 5 points for a disadvantaged communities designation. An IIG application from a jurisdiction, or a project in a jurisdiction, not included in a Transit Priority Area is unable to receive the full ten points in this category. This makes a crucial difference in the point scoring on an already competitive application.</p> <p><b>Rachel, Horst, City of East Palo Alto</b></p>	<p>While the Program promotes the development of infill housing, the Department at the same time strives to incentivize investments in all areas of the state, especially historically disadvantaged areas. These concerns will be taken into consideration as we continue to sharpen our focus on equity.</p>

309(f) & 310(f) Selection Criteria for QIPs & QIAs: Consistency With Regional Plans	<p>The Guidelines require MPOs to confirm that each application from our region is consistent with the SCS and check whether it is located within a Transit Priority Area. We recommend the MPO confirmation step be moved to after the application due date. Allowing MPOs to review the list of completed applications and confirm SCS consistency and location within a Transit Priority Area would make this requirement much easier and less time-consuming for MPOs and applicants.</p> <p><b>Therese W. McMillan, Metropolitan Transportation Commission</b></p>	<p>In order to remain consistent with related programs, IIG Guidelines were not modified at this time.</p>
<b>310 Selection Criteria for QIA</b>		
310(a)(1) Selection Criteria for QIAs: Readiness – Multiple QIPs	<p>Not enough parcels in Rural Areas for multiple eligible infill projects</p> <p><b>Valerie Dalley, Department of Public Works and Planning, County of Fresno</b></p>	<p>Multiple projects are incentivized in the QIA scoring section of the Guidelines. If applying for a QIP, it is only necessary to identify one infill project to get full points.</p>
310(a)(1&3) Selection Criteria for QIAs: Readiness – Multiple QIPs & Land Use Entitlements	<p>We recommend that the maximum points only be given for projects that have been granted land use approvals, consistent with readiness requirements of all other programs.</p> <p><b>Amie Fishman, Non-Profit Housing Association; Mark Stivers and Nicole Norori, California Housing Partnership</b></p>	<p>Section 310(a) demonstrates that more points are awarded for projects that have their land use entitlements and less points for projects that can obtain them.</p>
310(a) (1, 2, & 3) Selection Criteria for QIAs	<p>What is “<i>a reasonable period of time</i>”?</p> <p><b>Art May, Keystone Development Group</b></p>	<p>The Guidelines language has been clarified to point to milestones identified in Section 306.</p>
310(a)(2) Selection Criteria for QIAs: Readiness – Environmental Review Status	<p>The Department should clarify that, where project-based vouchers are the only subsidy triggering NEPA review, NEPA review need not be completed in order to obtain full readiness points.</p> <p><b>Mark Stivers and Nicole Norori, California Housing Partnership; Amie Fishman, Non-Profit Housing Association</b></p>	<p>Project Readiness – Environmental Review Status criteria has been updated to make that distinction.</p> <p>NEPA documentation will be required only where federal funds are part of the CIP funding sources.</p>

310(a)(2) Selection Criteria for QIAs: Readiness – Environmental Review Status	<p>Do all QIP projects in a QIA have to have environmental review clearance and land use entitlements to get full points? Or just the main QIP?</p> <p><b>Unknown, webinar</b></p>	<p>For a QIA application, documentation for all QIPs is required.</p>
310(a)(4) (A & B) Selection Criteria for QIAs: Readiness – Leveraged Funding Commitments	<p>We strongly support allowing projects to count as leverage HCD funds from other programs awarded prior to final rating and ranking. We note here only that the proposed language of Section 302(l)(2) is at odds with the language of this section.</p> <p><b>Amie Fishman, Non-Profit Housing Association; Alice Talcott, MidPen Housing</b></p>	<p>Agreed. The Guidelines have been updated to reflect the suggested change.</p>
310(a)(4) (A & B) Selection Criteria for QIAs: Readiness – Leveraged Funding Commitments	<p>The Department should alter paragraph (A) to focus on the leverage of permanent financing for the housing portion of a QIA. This is also consistent with the provisions of Section 309(a)(3). With respect to paragraphs (A) and (B), we strongly support allowing projects to count as leverage HCD funds from other programs awarded prior to final rating and ranking. The Department should make the proposed language of Section 302(l)(2) consistent with the language of this section.</p> <p><b>Mark Stivers and Nicole Norori, California Housing Partnership</b></p>	<p>Please see the explanation above.</p>
310(a)(6)(i) Selection Criteria for QIAs: Readiness – Prohousing Policies	<p>Do local funds that fulfill the requirements of this clause but aren't labeled as "trust funds" or "fee waivers" count?</p> <p>Also, why must the funds have been set aside within the past 5 years?</p> <p><b>Unknown, webinar</b></p>	<p>Yes. There is no intent to limit local funds to just trust funds or fee waivers.</p> <p>The Guidelines have been updated to state that 4 points will be awarded to projects located in jurisdictions that have implemented programs over the last five years, <i>that are currently in effect</i>, that finance infrastructure with accompanying increased housing capacity or provide local financial incentives for housing, including, but not limited to, a local housing trust fund or fee waivers.</p>

310(c) Selection Criteria for QIAs: Density	<p>QIA density scoring should match QIP scoring. An alternate density scoring regime is counterintuitive and subjects QIAs to a higher standard than QIPs.</p> <p><b>Brian D'Andrea, Century Housing Corporation</b></p>	QIA density scoring was modified to adjust to QIP scoring. Applications will be scored based on the extent to which the Net Density of the QIA exceeds the required density.
310(e) Selection Criteria for QIAs: Proximity to Amenities	<p>Proximity to Amenity scoring should be consistent between QIPs and QIAs. We suggest using the QIP standard. Presently, the QIA standard requires all five criteria to be satisfied to earn full points.</p> <p><b>Brian D'Andrea, Century Housing Corporation</b></p>	The Program adjusted scoring in sections 309 and 310. For QIP Proximity to Amenity criterion, the Program uses the closest QIP to the amenity.
310(e)(4) Selection Criteria for QIAs: Proximity to Amenities – Public Schools	<p>The Guidelines only grant points for being near a school if “<i>at least 50 percent of the units designated in this application have two or more bedrooms.</i>” We suggest eliminating this requirement because it would not make sense for the IIG Program, which is designed for infill development, to prefer large developments. On top of that, many IIG applicants include permanent supportive housing or senior housing, which tend to be smaller units.</p> <p><b>Francisco Martinez, Southern California Association of Nonprofit Housing</b></p>	The Guidelines have been updated to provide points in this category for units of all sizes.
310(e)(5) Selection Criteria for QIAs: Proximity to Amenities – Social Service Facilities	<p>The Department should withdraw the proposed change to this paragraph because residents of large family developments are largely unlikely to use the social services at issue.</p> <p><b>Mark Stivers and Nicole Norori, California Housing Partnership; Amie Fishman, Non-Profit Housing Association</b></p>	The Guidelines have been updated to provide points in this category for units of all sizes.
<b>311 Legal Documents</b>		
	No comments	
<b>312 Reporting Requirements</b>		
	No comments	
<b>313 Defaults and Cancellations</b>		
313 Legal Documents	<p>If a jurisdiction gets awarded funding for a QIA but the QIP ends up falling through after the CIP is built, does HCD then claw back the money?</p> <p><b>Unknown, webinar</b></p>	The awardee is expected to produce the housing identified in the application as the basis of the grant calculation. The awardee may be required to return grant funds if the housing units are not provided within the deadlines identified in the Standard Agreement.

314 Prevailing Wages		
	No comments	
	Other	
NOFA	<p>Of the approximately \$160M available, are you awarding the QIAs and QIPs from the same pool of money or is there certain funds reserved for each category?</p> <p><b>Unknown, webinar</b></p>	We are awarding both QIAs and QIPs from the same pool of funds.
NOFA	<p>Will there be 2 separate NOFAs for large and small jurisdictions?</p> <p><b>Unknown, webinar</b></p>	The Large and Small Jurisdictions were unique to the IIG of 2019 program. The Round 7 NOFA identifies a funding target for projects in counties with a population of less than 250,000. However, requirements for those small county applicants are consistent with all other applicants (except applications from Rural Areas).
NOFA	<p>Continue to allow both QIAs and QIPs to apply in the same NOFA round, as bifurcating the projects into separate rounds for QIA and QIP would mean further delays for projects that are ineligible to apply where the NOFA is exclusive to a QIA/QIP and not both. Doing so requires that the NOFA issued in February be substantial enough in size to fund QIP and QIA projects, as it was in the prior IIG round.</p> <p><b>Cynthia Parker, Bridge Housing</b></p>	QIAs and QIPs will compete in a single NOFA.
NOFA/ Application	<p>It would be greatly beneficial to applicants for HCD to make the format consistent across all applications. This would make the process of applying to HCD funding sources easier and also eliminate having to asking local planning departments to sign forms that they have already signed but just in a different format.</p> <p><b>Francisco Martinez, Southern California Association of Nonprofit Housing; Mee Heh Risdon, A Community of Friends</b></p>	The Department is working on making the application format more consistent across all programs.
NOFA/ Application	<p>I am hoping that the IIG timeline could be adjusted so HCD – IIG could be awarded to projects before the AHSC Program deadline. Many projects cannot apply for AHSC Program because they are relying on an IIG commitment in order to meet the AHSC Program threshold of having 90 percent of funding committed.</p> <p><b>Leslie Palaroan, Satellite Affordable Housing Associates</b></p>	Many factors come into play when developing annual NOFA schedules and the Department continues to strive for program alignment.

NOFA/ Application	<p>Since the IIG and AHSC rounds now have very similar timelines, we strongly encourage that applicants should be able to count the IIG funding requested towards the 90 percent committed financing threshold requirement for AHSC. Similarly, applicants should be able to count the AHSC funding requested in the total amount of permanent financing committed as a percentage of total development cost, less deferred costs, if they certify that they have submitted applications to each program in the February round. Both AHSC and IIG applications could require the applicant provide a self-score certification of the HCD program application that is under concurrent or overlapping review with the IIG / AHSC application. Doing so would expedite housing production, which is consistent with the intent of AB 434, the “one-stop shop” bill to streamline HCD funding awards.</p> <p><b>Cynthia Parker, Bridge Housing</b></p>	<p>That is absolutely the intent as we move forward to implement AB 434, but we do not have the flexibility to adjust funding dates at this time.</p>
Alignment with CDLAC & TCAC	<p>As CDLAC moves to incorporating new Affirmatively Furthering Fair Housing (AFFH) scoring requirements, we encourage HCD to consider how to best align its funding programs with CDLAC and TCAC requirements around AFFH. Many of the projects receiving IIG awards are 4 percent/bond projects and will need to successfully compete for bonds in order to move forward into construction, and as such will need to not be in contradiction to the AFFH scoring section of the CDLAC system. We strongly urge HCD to consider this as the CDLAC regulation changes are vetted and ultimately adopted.</p> <p><b>Alice Talcott, MidPen Housing</b></p>	<p>The Department strives to maintain consistency within its own programs as well as with TCAC and CDLAC, where practicable. We will continue to consider alignment of program changes.</p>
SB 35	<p>For points regarding entitlements, we would like clarity on how projects streamlined by SB 35 would fit into the points category.</p> <p><b>Amie Fishman, Non-Profit Housing Association; Unknown, webinar</b></p>	<p>SB 35 does not directly impact the points within these Guidelines.</p> <p>SB 35 requires housing construction permit streamlining in jurisdictions that are not meeting their RHNA goals. Projects located within these jurisdictions may benefit from these permit streamlining requirements and obtain entitlements faster (and prior to application). Indirectly, SB 35 may enhance the applicant's ability to receive Readiness points.</p>

<p>Rural communities</p>	<p>I am very concerned that the current Draft Guidelines do not sufficiently consider the distinctive circumstances and needs of rural communities. Previous funding awards show that unless there is a specific set-side included for small jurisdictions, large jurisdictions will continue to receive a disproportionate amount of funding. Rural cities and towns need affordable housing, but often lack sufficient infrastructure to produce it. Moreover, COVID-19 could result in a substantial shift from urban cores to more Rural Areas, exacerbating the need for housing in these areas.</p> <p>Proposition 1 included funding for farmworker housing, multi-family apartment developers, infill development, and housing close to transit. The types of projects funded under these programs skew heavily towards favoring urban areas, including IIG eligible projects. Benefits for suburban and Rural Areas are almost non-existent. This is especially concerning when considering the program is funded via bond proceeds, which are paid back by taxpayers from all over the state, not just urban areas.</p> <p>I therefore strongly urge you to consider revising the Draft Guidelines to include a specific set-aside for small jurisdictions, so they are able to fairly compete for Proposition 1 IIG funding. If a set-aside is not included, I ask that you further revise the eligibility requirements and selection criteria for small jurisdictions so the proportion of funding small jurisdictions may qualify for more closely reflects the FY 2019-20 (AB 101) funding round.</p> <p><b>James Gallagher, Assemblyman, District 3</b></p>	<p>The Round 7 NOFA identifies a funding target for projects in counties with a population of less than 250,000. However, requirements for those small county applicants are consistent with all other applicants (except applications from Rural Areas).</p>
<p>Rural areas</p>	<p>An issue that is not unique to IIG grants but is pervasive throughout affordable housing projects in Rural Areas of California.</p> <p>Rural Areas experience difficulty in meeting the lower Average Median Income (AMI) required.</p> <p><b>Shelly Ingram, Community Housing Improvement Program</b></p>	<p>We understand meeting the lower AMI may be difficult for Rural Areas, but the Department uses the AMI amounts determined by the individual counties.</p>
<p>Small and Large Jurisdictions</p>	<p>The IIG Program should continue the distinction between and separation of grant applications from small and large jurisdictions.</p> <p>The greater distances, lower population densities, and geographic diversity of rural counties create obstacles not faced by their more urban or suburban counterparts. For those reasons, "one-size-fits-all" policies don't work, especially when the "size" typically is a more metropolitan model.</p> <p><b>Shelly Ingram, Community Housing Improvement Program</b></p>	<p>The Round 7 NOFA identifies a funding target for projects in counties with a population of less than 250,000. However, requirements for those small county applicants are consistent with all other applicants (except applications from Rural Areas).</p>

Large Jurisdictions	<p>We would like to call attention to the implications of the large jurisdiction categorization for relatively smaller jurisdictions in “large jurisdiction” counties and recommends that the Department consider a “middle” designation for these applicants. This would provide projects in relatively smaller jurisdictions with the potential to obtain the highest density score and remain competitive on the IIG application.</p> <p>It is therefore recommended that the Department, if statutorily permitted, consider introducing a “middle” designation for relatively smaller jurisdictions within “large jurisdiction” counties that may allow those IIG applications to obtain competitive point scores.</p> <p><b>Rachel, Horst, City of East Palo Alto</b></p>	<p>Introduction of a middle designation in the future rounds of IIG Guidelines is under consideration.</p>
Disability Rights	<p>The IIG Guidelines should explicitly require applicants to comply with accessibility and nondiscrimination requirements.</p> <ul style="list-style-type: none"> <li>- HCD Programs must comply with both federal and state law.</li> <li>- The IIG Guidelines should require supported housing projects to include fair housing and nondiscrimination policies.</li> <li>- The Guidelines should clearly define the term “disability” and incorporate federal and state mandates to construct housing units with features accessible to people with disabilities.</li> <li>- Create new section: Nondiscrimination.</li> <li>- IIG Guidelines should set certain threshold requirements for accessible housing units.</li> <li>- Include reasonable modifications for people with disabilities in the list of eligible costs.</li> <li>- The IIG Guidelines should include “Provision of Accessible Units” among the scoring criteria in Section 309.</li> <li>- Section 312 should include reporting requirements for accessible units and accessibility policies.</li> <li>- Amend Section 312</li> </ul> <p><b>Dara Schur, Disability Rights California</b></p>	<p>Discrimination concerns, many of which are listed in the comment, are the policy directions the Department is heading towards.</p> <p>Some of the items are addressed by the California Department of Fair Employment and Housing.</p> <p>In regard to some other items, the IIG Program is an infrastructure-related program. Any other Department funding for housing projects would address these requirements.</p>

Different county categories	<p>You need to separate the funding in two different categories not two different county categories:</p> <ul style="list-style-type: none"> <li>- Urban areas (large cities)</li> <li>- Rural Areas (small cities under 25,000 and unincorporated communities)</li> </ul> <p>By separating the grant into two sections you can have lower thresholds for the following requirements: Amenities, Transit, Density, and Employment Center.</p> <p>You should allow Special Districts, Public Utilities Districts and Community Services to apply. Districts that have specific powers to provide the necessary infrastructure to support the housing such as sewer and water should be able to apply. Not only cities, counties and tribes should be eligible.</p> <p>More than 10 percent of the funds should go to the Central Valley has many communities lack basic infrastructure and need these funds in order to facilitate the housing.</p> <p>Should give points if the project is in the processes of receiving appropriate zoning.</p> <p><b>Yvette Quiroga, Department of Public Works and Planning, County of Fresno</b></p>	<p>Equitable distribution of funds is one of our top priorities. We recognize the need to designate these areas by a measure other than county population and will continue research and discussion on that issue. The Round 7 NOFA introduces a funding target for projects in counties with a population of less than 250,000. However, requirements for those small county applicants are consistent with all other applicants (except applications from Rural Areas).</p> <p>Points are awarded for different levels of approval.</p>
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